

**Senate File 2183 - Introduced**

SENATE FILE 2183

BY HATCH and McCOY

**A BILL FOR**

1 An Act relating to the excess reserves of certain companies or  
2 corporations issuing individual and group health insurance  
3 policies or medical service contracts in this state.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1.   NEW SECTION.   **505.20   Excess reserves.**

2     1.   The commissioner shall identify any insurance company  
3   or nonprofit health service corporation doing business in this  
4   state that issues more than eighty percent of all individual  
5   health insurance policies or hospital or medical service  
6   contracts issued in this state and that issues more than  
7   sixty percent of all small group health insurance policies or  
8   hospital or medical service contracts issued in this state.

9     2.   For such an insurance company or nonprofit health service  
10   corporation so identified, the commissioner shall make a  
11   determination of financial reserves necessary for the company  
12   or corporation to meet its obligations under its policies or  
13   contracts issued in this state.

14    3.   If the commissioner determines that such a company or  
15   corporation has reserves in excess of those necessary to meet  
16   its policy or contractual obligations, the commissioner may  
17   order the company or corporation to distribute the excess to  
18   its policyholders or contract subscribers.

19                                   EXPLANATION

20                   The inclusion of this explanation does not constitute agreement with  
21                   the explanation's substance by the members of the general assembly.

22    This bill requires the commissioner of insurance to  
23   identify any insurance company or nonprofit health service  
24   corporation in this state that issues more than 80 percent  
25   of all individual health insurance policies or hospital or  
26   medical service contracts in this state and that issues more  
27   than 60 percent of all small group health insurance policies  
28   or hospital or medical service contracts in this state. For  
29   such a company or corporation, the commissioner is required  
30   to make a determination of financial reserves necessary for  
31   the company or corporation to meet its obligations under  
32   its policies or contracts issued in this state. The bill  
33   authorizes the commissioner to order the company or corporation  
34   to distribute any excess reserves to its policyholders or  
35   contract subscribers.